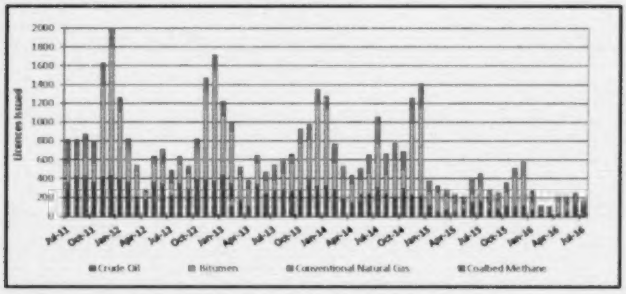
September 2016 Industry Activity Report

Monthly Well Licences



The Alberta Energy Regulator issued 172 well licenses in July 2016, down 62% from the 450 well licences issued in July 2015.

There were 85 licences issued for crude oil in July 2016, down 45% from the 155 crude oil licences issued in July 2015.

79% of the crude oil licences issued in July 2016 were for horizontal wells.

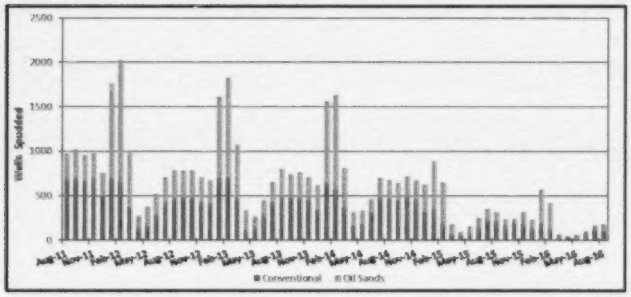
There were 78 natural gas well licenses (excluding CBM) issued in July 2016, 40% less compared to the 131 licences reported in July 2015.

99% of natural gas well licenses issued in July 2016 were for horizontal wells.

JULY 2016			
Licenced Wells	Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	77	43%
	Vertical/Direct	1	
Coal Bed Methane	Horizontal	-	
	Vertical/Direct	-	
Crude Oil	Horizontal	67	24%
	Vertical/Direct	18	
Bitumen	Horizontal	8	33%
	Vertical/Direct	1	
	Evaluation	-	
Total		172	100%

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



With a total of 181 spuds for the month of August 2016, activity has dropped 43% as compared to August 2015 when there were 316 spuds.

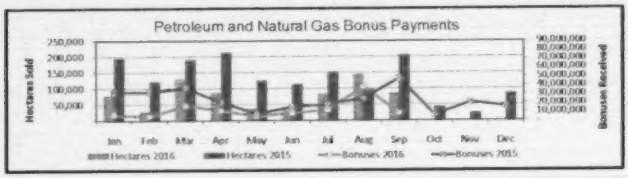
From January to August 2016, spuds for conventional wells are down 44% while oil sands spuds are also down 44% as compared to the same period in 2015.

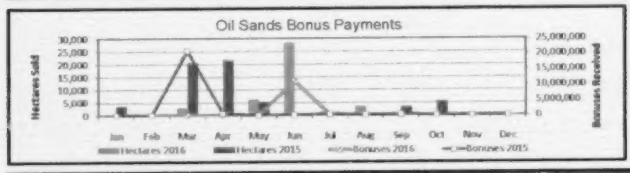
Note: Data for the most recent month is only partially complete. Therefore, August data includes the most current complete results.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Conventional	760	707	532	110	181	339	576	680	690	678	702	484	**6,439**
	Oil Sands	1052	1296	786	131	153	186	236	288	329	277	272	273	**5,279**
2012	Conventional	689	648	370	135	169	278	430	467	481	475	423	412	**4,977**
	Oil Sands	1076	1374	610	141	206	241	274	318	303	307	284	263	**5,397**
2013	Conventional	701	700	471	112	137	266	412	485	480	475	458	346	**5,043**
	Oil Sands	915	1126	608	227	133	186	243	316	267	290	248	273	**4,832**
2014	Conventional	648	577	362	161	171	318	472	463	451	490	447	319	**4,879**
	Oil Sands	914	1059	450	159	164	141	226	210	194	226	229	307	**4,279**
2015	Conventional	351	185	74	52	77	141	239	212	165	191	188	124	**1,999**
	Oil Sands	536	466	108	43	76	114	113	104	69	49	133	105	**1,916**
2016	Conventional	188	129	31	38	48	86	121	106	41				**788**
	Oil Sands	380	290	37	11	16	18	46	75	33				**906**

Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales





Bonuses received from the petroleum and natural gas land sales held in September 2016 were about $8.6 million with an average price per hectare of $100.81.

There was no Oil sands land sales for September 2016.

Between January and September 2016, Alberta received a total of $122.3 million from the sales of about 743 thousand hectares of land, compared to about $256.3 million received on the sales of about 1.5 million hectares in the same period in 2015.

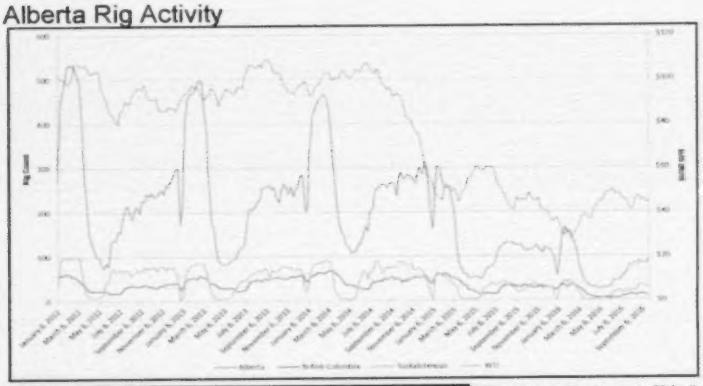
Average crown land prices between January to September have decreased from $175.52/hectare in 2015 to $164.56/hectare in 2016.

Petroleum and Natural Gas Rights	Sep-16	Sep-15	YTD 2016	YTD 2015
Bonuses	$8,550,112.56	$47,432,466.15	$110,734,415.34	$233,680,058.81
Hectares	84,817	203,744	701,881	1,404,295
Average Price per Hectare (Cdn$)	$100.81	$232.80	$157.77	$166.40

Oil Sands Rights	Sep-16	Sep-15	YTD 2016	YTD 2015
Bonuses	0	$285,279.36	$11,583,396.35	$22,618,404.47
Hectares	0	3,136	41,401	55,909
Average Price per Hectare (Cdn$)	0	$90.97	$279.79	$404.55

Source: Alberta Energy

Alberta Rig Activity



Canadian Drilling	Drilling September 23, 2016	Up or Down Compared to the Previous Week
Alberta	93	9
Saskatchewan	29	(2)
British Columbia	10	(2)
Canada	138	6

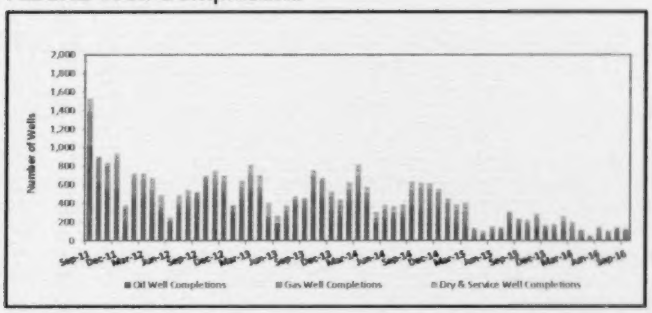
WTI ($/bbl)
$ 44.59

Rig activity in Alberta rose to 93 for the week of September 23rd, 2016 and is 20 (18%) lower than last year.
In Canada the number of rigs drilling increased by 6 to 138 for the week of September 23rd, 2016 and is 37 (21%) lower than a year ago.
Oil directed rig count increased by 2 to 77 rigs and is 11 (17%) higher than last year.
Gas directed rig count was up 5 at 61 and is 49 rigs (45%) lower than last year.

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year-over-year comparisons can lead to incorrect conclusions.

Source: Baker Hughes

Alberta Well Completions



There were a total of 126 wells completed in September 2016, down about 46% from 234 wells completed in September 2015.

Compared to January - September 2015, oil completions are down 55% and gas completions are down 33% for the same period in 2016.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	**5,798**
	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	**3,588**
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	**1,223**
2012	Oil Wells	215	489	516	405	296	205	348	380	447	588	533	523	**4,945**
	Gas Wells	131	181	146	141	62	12	46	98	65	81	137	110	**1,210**
	Dry & Service	35	48	55	126	128	37	94	63	12	23	80	59	**760**
2013	Oil Wells	313	449	544	481	230	179	263	394	357	528	463	333	**4,534**
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	**1,117**
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	**757**
2014	Oil Wells	280	427	520	418	188	240	245	257	389	314	354	348	**3,980**
	Gas Wells	105	119	186	94	54	94	52	63	154	239	197	161	**1,498**
	Dry & Service	57	80	126	62	63	45	70	69	85	65	62	42	**826**
2015	Oil Wells	239	194	147	57	34	75	80	189	154	113	152	89	**1,523**
	Gas Wells	166	134	166	52	42	45	44	108	65	76	93	63	**1,053**
	Dry & Service	46	60	94	32	25	31	21	13	15	27	40	11	**415**
2016	Oil Wells	88	106	43	30	11	48	46	87	64				**523**
	Gas Wells	55	90	106	69	29	75	47	35	47				**553**
	Dry & Service	29	64	51	14	11	21	10	17	15				**232**

Source: JuneWarren-Nickle's Energy Group